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# Legislative Digest

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## **FY 2001 VA, HUD, and Independent Agencies Appropriations Act H.R. 4635**

Committee on Appropriations  
H.Rept. 106-674  
Submitted by Mr. Walsh on June 12, 2000

### **Floor Situation:**

The House is scheduled to consider H.R. 4635 on June 15, 2000. The Rules Committee met on Tuesday, June 13, 2000 at 5 p.m. and granted an open rule on the measure that provides one hour of general debate equally divided between the chairman and ranking minority member of the Appropriations Committee, waives points of order against non-emergency amendments from being offered to a bill containing emergency designations, and waives all points of order against unauthorized legislative provisions in a general appropriations bill, except for two provisions in Title III of the bill. The first unprotected provision prohibits EPA from reserving funds to conduct studies on the health effects of contaminants in drinking water. The second unprotected provision prohibits funds from being designated as emergency requirements unless the President submits an official budget request that includes designation of the entire amount of the request as an emergency requirement.

The rule also allows the Chairman of the Committee of the Whole to accord priority in recognizing members who have preprinted their amendments in the *Congressional Record*, and allows the chairman to postpone votes. Lastly, the rule allow for one motion to recommit with or without instructions. Information on potential amendments will be provided in a *FloorPrep* prior to floor consideration.

### **Highlights:**

H.R. 4635 provides \$101.1 billion in new budget authority for veterans' benefits, housing programs, and various agencies dealing mostly with science, space, and the environment. This amount is \$8.22 billion more than in FY 2000 and \$6.5 billion less than the president's request (which included a \$2.6 billion FY 2001 request for FEMA emergency spending and a \$4.2 billion advance appropriation request for FY 2001 for Section 8 housing). A majority of this funding, \$76.48 billion, is allocated for discretionary spending (\$6.5 billion less than the president's request and \$4.9 billion more than last year) programs,

while the remaining \$24.61 million is mandatory spending (outside of the control of the Appropriations Committee). The CBO “freeze” level for VA-HUD is \$76.9 billion.

A large portion of the bill’s funding, \$46.85 billion, supports the Department of Veterans Affairs (VA) efforts to provide extensive health, housing, education, and compensatory benefits to military veterans and their dependents (\$2.6 billion more than in FY 2000 and \$97.74 million less than the president’s request). The measure appropriates \$29.96 billion for the Department of Housing and Urban Development (HUD), \$4.1 billion more than in FY 2000 and \$2.5 billion less than the president’s request (which includes an advance appropriation request of \$4.2 billion for FY 2002). Specifically, the bill provides \$13.28 billion for Section 8 housing rental assistance (\$2.4 billion more than last year), \$1 billion (a \$180 million decrease from last year) for homeless assistance, and \$4.5 billion for community development block grants.

H.R. 4635 also provides \$7.15 billion for the Environmental Protection Agency (\$312.77 million less than FY 2000 and \$15.1 million less than the president’s request). The bill provides \$876.73 million for the Federal Emergency Management Agency (FEMA), a decrease of \$2.61 billion from the president’s request and a \$2.48 billion decrease from last year’s level.

In addition, the measure provides \$13.7 billion for the National Aeronautics and Space Administration (NASA)—\$60.9 million more than in FY 2000 and \$321.7 million less than the president’s request. Specifically, the bill provides \$5.5 billion for space shuttle operations, which includes funds for the International Space Station. Finally, the bill provides \$4.06 billion for the National Science Foundation, \$152.25 million more than in FY 2000 and \$508.1 million less than the president’s request.

## Sticking Points

Several issues may become the subject of debate during floor consideration, including the following:

\* **Environmental Protection Agency.** H.R. 4635 reduces the EPA’s funding by about \$288 million dollars from last year, \$158 million dollars, which is the result two agencies being transferred from the EPA. Also the measure places restrictions on funds being used to implement EPA regulations, (e.g. regulations relating to the Kyoto protocol and maximum daily loads). Also, the bill prohibits funds being used to fund “invasive” techniques to clean contaminated sediments from waterways until studies are completed on the proposed cleaning techniques.

\* **Disaster Relief.** The bill eliminates additional FEMA funding for disaster relief while the president’s budget proposed a level of \$2.91 billion. The measure provides \$300 million, a decrease of \$2.61 billion. These funds would be used as emergency funding to provide relief and funds to rebuild communities in time when natural disasters strike. Advocates of greater funding argue that meteorologists are predicting an active hurricane season, while those who support the bill in its current form argue that FEMA already has \$1.7 billion available and that additional funds can be provided in emergency appropriations.

\* **AmeriCorps.** The measure terminates funding for the Corporation for National and Community Service (except for \$5 million for Inspector General activities)—the agency received \$434.5 million last year and the president requested \$533.7 million for FY 2001. One of President Clinton’s cherished priorities, program supporters view any attempt to reduce or terminate AmeriCorps funding as a politically motivated attack on a valuable government service program. Critics counter that AmeriCorps is wasteful

and unnecessary because the idea that the government needs to pay “volunteers” is wholly at odds with the notion of community service.

\* **Community Renewal.** H.R. 4635 does not provide any funds for the community renewal initiative recently agreed to by the President and congressional leaders. The program is designed to mix incentives and federal funds to stimulate growth and renewal in 80 of the nation’s poorest communities. Proponents argue that the initiative will be crucial in providing new life to impoverished and run down cities. The measure does not currently appropriate any funds but congressional leaders have indicated that funds may be provided later. Furthermore, specific portions of the agreement have yet to be authorized by the Congress.

## Provisions:

VA/HUD and Independent Agencies Appropriations, FY 2001					
Appropriation Account	FY 2000 Level*	President's Request**	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Veterans Affairs	\$44,255.2	\$46,948.4	\$46,849.7	+5.9%	-0.2%
HUD	\$25,860.2	\$32,458.6	\$29,962.0	+15.9%	-7.7%
Independent Agencies	\$29,070.5	\$30,374.1	\$26,290.1	-9.6%	-13.4%
General Provisions	-\$14.0	-\$1,832.0	-\$1,832.0	—	0.0%
<b>TOTALS</b>	\$99,171.8	\$107,949.1	\$101,269.8	+2.1%	-6.2%

Source: House Appropriations Committee

\* The president's budget included a \$2.9 billion FY 2001 request for FEMA emergency funding and a \$4.2 billion advance appropriation request for FY 2001 for Section 8 housing

## *Title I — Department of Veterans Affairs*

H.R. 4635 appropriates \$46.85 billion for the Department of Veterans Affairs (VA), \$2.6 billion more than in FY 2000 and \$98.7 million less than the president’s request. With an average employment of 204,000, the VA is the third largest federal agency and administers benefits for approximately 70 million people—about 26 percent of the population of the United States.

### Veterans Benefits Administration

The VA’s cash benefit programs (i.e., compensation and pensions, readjustment benefits, and veterans insurance and indemnities) are mandatory (entitlement) spending, although required amounts are annually appropriated. Requested appropriations are equal to the expected payments, and final appropriations are based on the latest available estimates. This year the committee has provided \$24.78 billion for the Veterans Benefit Administration, \$1.22 billion more than the current year, and \$25 million more than the president’s request, due in part to the fact that the committee did not adopt an administration proposal to move some funding to the general operating expenses account.

**Compensations and Pensions.** H.R. 4635 fully funds the president’s request for \$22.77 billion—\$1.2 billion more than in FY 2000—to compensate veterans for service-related injuries, provide pensions for

those with non-service-related disabilities, and provide burial benefits. The committee has again decided not to adopt the president's request to divide this appropriation into three separate accounts for compensation, pensions, and burial benefits and miscellaneous assistance.

<b>VA Appropriations, FY 2001</b>					
Appropriation Account	FY 2000 Level	President's Request	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Veterans Benefits Administration					
Compensation and Benefits	\$21,568.4	\$22,766.3	\$22,766.3	+5.6%	0.0%
Readjustment Benefits	\$1,469.0	\$1,634.0	\$1,664.0	+13.3%	+1.8%
Veterans Insurance & Indemnities	\$28.7	\$19.9	\$19.9	-30.8%	0.0%
Veterans Housing Benefit Program	\$439.3	\$332.2	\$327.2	-25.5%	-1.5%
Education Loan Fund Program	\$0.2	\$0.2	\$0.2	+2.8%	0.0%
Vocational Rehabilitation Loans	\$0.5	\$0.5	\$0.5	+2.5%	0.0%
Native American Housing Loans	\$0.5	\$0.5	\$0.5	+2.3%	0.0%
Guaranteed Transitional Housing Loans for Homless Veterans	\$48.3	—	—	—	—
<b>Subtotal, Veterans Benefits</b>	<b>\$23,554.8</b>	<b>\$24,753.6</b>	<b>\$24,778.6</b>	<b>+5.2%</b>	<b>+0.1%</b>
Veterans Health Administration	\$19,307.2	\$20,667.5	\$20,664.6	+7.0%	-0.0%
Departmental Administration	\$1,393.2	\$1,527.3	\$1,406.5	+1.0%	-7.9%
<b>TOTALS</b>	<b>\$44,255.2</b>	<b>\$46,948.4</b>	<b>\$46,849.7</b>	<b>+5.9%</b>	<b>-0.2%</b>

Source: House Appropriations Committee

**Readjustment Benefits.** The measure provides \$1.66 billion—\$30 million more than the president's request of \$1.63—billion for education and training benefits for veterans and service members to help them adjust to civilian life, \$195 million more than in FY 2000. The committee rejected an administration request to transfer \$30 million from this account to the general operating expenses account.

**Veterans Insurance.** The bill fully funds the president's request for \$19.9 million—\$8.8 million less than in FY 2000—to provide benefits for veterans who received various forms of insurance and indemnities during the First and Second World Wars, the Korean conflict, and for other individuals who have received a grant for specially adapted housing.

**Veterans Housing Benefit Program Fund.** H.R. 4635 provides \$165.74 million for the veterans housing benefit program fund, \$116.6 million less than the FY 2000 level and equal to the president's request. The fund facilitates the extension of mortgage credits on favorable terms by private lenders to eligible veterans and unmarried widows of eligible veterans. This program covers the cost of guaranteeing that a portion of the loans are protected against losses from direct loans for veterans' housing and includes administrative expenses necessary to carry out the direct loan program. Part of the reason for the funding decrease is that funds for the Guaranteed Transitional Housing Loans for Homeless Veterans Program (estimated at \$48.25 million in FY 2000) is not expected to require further funding in FY 2001. The bill includes \$161.48 million for administrative expenses, \$4.5 million more than last year and \$5 million below the president's request, and establishes a limitation on direct loans of \$300,000 per loan.

**Education Loan Fund Program.** The measure fully funds the president's request for \$1,000—equal to the FY 2000 level—for the education loan fund. This program covers the cost of direct loans for eligible dependents and, in addition, pays for administrative expenses necessary to carry out the direct loan program. The measure includes \$220,000 for administrative expenses, \$6 thousand more than FY 2000, and establishes a limitation on direct loans of \$3,000 per loan.

**Vocational Rehabilitation Loans Program.** The bill fully funds the president's request of \$52,000—\$5,000 less than the FY 2000 level. This program covers the cost of direct loans for vocational rehabilitation of eligible veterans and, in addition, includes administrative expenses necessary to carry out the direct loan program. The bill allows for loans of up to \$841 to an individual, which can be repaid over a 10 month period with no interest. The bill includes \$432,000 for administrative expenses, \$17,000 more than last year, and establishes a limitation on direct loans of \$2.73 million (\$195,000 more than last year).

**Native American Veteran Housing Loans.** The measure provides \$532,000—\$12,000 more than the FY 2000 level and equal to the president's request—to test the feasibility of enabling the VA to make direct home loans to Native American veterans living on U.S. trust land. This pilot program began in 1993 and expires on December 31, 2001.

## Veterans Health Administration

The Veterans Health Administration programs, those associated with medical care and medical research, are annual discretionary appropriations. This year the committee provided \$20.66 billion dollars to fund VA health activities, \$2.88 million less than the president's request in the medical administration and miscellaneous operating expenses account, and \$1.36 billion more than FY 2000.

**Medical Care.** H.R. 4635 provides \$20.28 billion—\$1.36 billion more than the FY 2000 level and equal the president's request—to provide medical care for eligible beneficiaries in VA and private facilities. Program funds are also used to train medical professionals to support the VA's medical programs. The Congressional Budget Office estimates that \$639 million will be available from the medical care collections fund in FY 2000. The VA operates the largest federal medical care delivery system in the country, with 172 medical centers, 40 domiciliaries, 132 nursing homes, and 829 outpatient clinics which include independent satellite, community-based, and rural outreach clinics. The committee included a provision in the bill that prohibited any funds from being transferred from the Department of Veterans Affairs to the Justice Department for use in supporting lawsuits against tobacco companies.

In recent years the VA has been transferring medical personnel from inpatient care to outpatient care in order to facilitate a greater number of patients in a more efficient manner. This is likely to result in an increase of 285,000 in the unique patient count from FY 1999-2001, while at the same time VA estimates that 1,304 staff slots will be eliminated. Concerns have been raised that the VA is promising too many veterans services without having the adequate resources to serve them. However, the VA continues to accept all veterans who apply for its health care plans. Also, the committee raised a concern that the VA is spending too much money on facility maintenance. Currently, almost one out of every four medical care dollars is spent on facility upkeep. Therefore, the bill places a limit of \$3 billion dollars in medical care funds that can be spent on facility upkeep.

**Medical and Prosthetic Research.** H.R. 4635 allocates \$321 million—the same as both the FY 2000

level and the president's request—for medical, rehabilitative, and health services research.

**Medical Administration.** The bill provides \$62 million for central office executive direction, administration, and supervision of all VA medical and construction programs, \$2.3 million more than in FY 2000 and \$2.88 million less than the president's request.

**Transitional Housing Loans.** This year the president did not request, and the committee did not provide and funds to cover the estimated cost of providing loans to nonprofit organizations to lease transitional housing to veterans. Last year \$48 million was provided for this fund, however since the fund's creation in 1994 no loans have been made. The measure also does not include any funds for associated administrative costs, while last year \$54,000 was provided for this purpose.

### **Departmental Administration**

**General Operating Expenses.** H.R. 4635 provides \$1.06 billion to administer non-medical benefits, \$93.4 million more than in FY 2000 and \$55.85 million less than the president's request, of which \$30 million is instead provided for in the readjustment benefits account. \$782 million of this is allocated to cover claims processing and administration of the Veterans Benefits Administration, with the remainder being used to fund the department administration of a number of credit accounts established within the Department of Veterans affairs.

**National Cemetery System.** The measure provides \$106.9 million—\$9.63 million more than in FY 2000 and \$3 million less than the president's request—for the National Cemetery Administration, which provides internment to eligible deceased service members and veterans, together with their spouses and certain dependents. The National Cemetery Administration maintains the nation's 153 cemeteries and administers the president's Memorial Certificate Program. The 9.9 percent increase in funds is intended to provide the National Cemetery System with enough funds to operate the large number of new cemeteries that opened in 2000 and will continue to open in 2001.

**Inspector General.** The bill fully funds the president's request for \$46.46 million for audit, investigation, and inspection activities relating to all VA programs and operations, \$3.26 million more than the FY 2000 level.

**Major Project Construction.** The measure appropriates \$62.14 million for the construction of major facilities, \$3 million less than in FY 2000 and equal to the president's request. This account funds VA construction projects that are estimated to cost more than \$4 million and places an emphasis on correcting life/safety code deficiencies in existing VA medical facilities.

**Minor Construction Projects.** The bill provides \$100 million for minor construction projects, \$60 million below the FY 2000 level and \$62 million below the president's request. This account funds VA construction projects that are estimated to cost less than \$4 million.

**Parking Revolving Fund.** The measure allocates no new budget authority for the construction and acquisition (by purchase or lease) of parking garages at VA facilities. Leases will be funded from the collection of parking receipts.

**Extended Care Facility Grants.** The bill provides the president's request of \$60 million, \$30 million less

than the FY 2000 level, for grants to states to provide long-term care facilities for veterans.

**State Veterans Cemeteries.** The bill fully funds the president's request of \$25 million—equal to last year's amount—to establish, expand, and improve state veterans' cemeteries.

## **Administrative Provisions**

**Employment Discrimination.** The VA supports two offices—the Office of Resolution Management (ORM) and the Office of Employment Discrimination Complaint Adjudication (OEDCA)—to resolve issues of employment discrimination. Formerly, these issues were handled on an institution-by-institution basis, but have now been centralized into these two offices. The president's budget requested that these offices be funded on a reimbursable basis from other VA appropriations in FY 2001. The committee supports funding these offices, but does not agree with the administration's proposal to provide them with unlimited funds.

Therefore, the bill limits the amount that may be reimbursed from (1) medical care \$26.1 million (\$28.1 million for ORM and \$2.1 for OEDCA); (2) the national cemetery administration \$111,000 (\$125,000 for ORM and \$14,000 for OEDCA); and (3) the Office of the Inspector General \$28,000 for ORM and no funds for OEDCA. In addition, up to \$2 million (\$1.8 million for ORM and \$175,000 for OEDCA) may be reprogrammed within "general operating expenses" for services rendered.

**Transfer of Funds.** The bill prohibits the administration request to transfer \$350 million in receipts from the Veterans Millennium Health Care Act (*P.L. 106-117*) to the treasury for general funds, and instead directs that receipts collected under the Millennium Health Care Act be spent on veterans' medical care.

**Compensation Date Changes.** The bill moves the compensation and pension pay date back to fiscal year 2000, after it was moved to FY 2001 in the FY 2000 VA-HUD appropriations bill.

## ***Title II — Department of Housing and Urban Development***

H.R. 4635 appropriates \$29.96 billion for the Department of Housing and Urban Development (HUD), \$4.1 billion more than in FY 2000 and \$2.5 billion less than the president's request (although this amount includes an advance appropriation request of \$4.2 billion for FY 2002). HUD, with more than 240 major and minor programs, is primarily responsible for serving the nation's housing needs and developing and preserving communities. HUD is charged with administering four basic types of programs: (1) FHA mortgages and loan insurance; (2) rental and homeownership subsidy programs for low-income families; (3) community development programs; and (4) neighborhood rehabilitation programs. HUD is also one of the nation's largest financial institutions.

## **Public and Indian Housing**

**Housing Certificate Fund (HCF).** The measure provides \$13.28 billion, \$1.9 billion more than last year and \$852.44 million less than the president's request (which includes an advance appropriation request of \$4.2 billion for FY 2002), for renewal of Section 8 vouchers, project-based housing programs and direct low-income housing subsidies. The committee included in this year's bill a provision that would allow

HUD Appropriations, FY 2001					
Appropriation Account	FY 2000 Level	President's Request*	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
<b>Selected Housing Programs</b>					
Housing Certificate Funds*	\$11,376.7	\$14,127.8	\$13,275.4	+16.7%	-6.0%
Public Housing Capital Fund	\$2,900.0	\$2,955.0	\$2,800.0	-3.4%	-5.2%
Public Housing Operating Program	\$3,138.0	\$3,192.0	\$3,138.0	0.0%	-1.7%
Drug Elimination Grants	\$310.0	\$345.0	\$300.0	-3.2%	-13.0%
HOPE VI Grants	\$575.0	\$625.0	\$565.0	-1.7%	-9.6%
Native American Housing Block Grant	\$620.0	\$650.0	\$620.0	0.0%	-4.6%
Indian Loan Guarantee Fund	\$6.0	\$6.0	\$6.0	0.0%	0.0%
Elderly & Disabled Housing	\$911.0	\$989.0	\$911.0	0.0%	-7.9%
Federal Housing Administration	\$634.9	\$858.3	\$858.3	+100.0%	0.0%
Gov. National Mortgage Association	-\$412.6	-\$297.6	-\$337.6	-18.2%	+13.4%
Policy Research & Development	\$45.0	\$62.0	\$40.0	-11.1%	-35.5%
Fair Housing & Equal Opportunity	\$44.0	\$50.0	\$44.0	0.0%	-12.0%
Office Of Lead Hazard Control	\$80.0	\$120.0	\$80.0	0.0%	-33.3%
<b>Community Planning &amp; Development</b>					
Rural Housing & Community Development	\$25.0	\$27.0	\$20.0	-20.0%	-25.9%
AIDS Housing	\$232.0	\$260.0	\$232.0	0.0%	-10.8%
Community Development Grants	\$4,800.0	\$4,900.0	\$4,505.0	-6.1%	-8.1%
Section 108 Admin. Exp. & Credit Sub	\$30.0	\$30.0	\$29.0	0.0%	-3.3%
Brownsfield Redevelopment	\$25.0	\$50.0	\$20.0	0.0%	-60.0%
American Private Investment Comp.					
Credit Subsidies	\$20.0	\$37.0	\$0.0	-100.0%	-100.0%
Empowerment Zones and Enterp.Comm.	\$70.0	\$0.0	\$0.0	—	—
HOME Investment Partnerships	\$1,600.0	\$1,650.0	\$1,585.0	-0.9%	-3.9%
Homeless Assistance	\$1,020.0	\$1,200.0	\$1,020.0	0.0%	-15.0%
Communities in Schools Grants	\$5.0	\$5.0	\$0.0	-100.0%	-100.0%
<b>Management &amp; Administration</b>					
Salaries and Expenses	\$477.0	\$565.0	\$475.6	-0.3%	-15.8%
Inspector General	\$50.7	\$52.0	\$50.7	0.0%	-2.6%
Administrative Provisions	-\$388.4	\$0.0	\$0.0	-100.0%	0.0%
Recissions	-\$2,408.4	—	-\$275.4	—	—
<b>TOTALS</b>	<b>\$25,785.8</b>	<b>\$32,458.6</b>	<b>\$30,237.4</b>	<b>+17.3%</b>	<b>-6.8%</b>

Source: House Appropriations Committee

\* These figures include a \$4.2 billion advance appropriation request for FY 2002 housing.

HUD to increase the value of vouchers to as much as 150 percent of median rental rates in certain communities. The current value is 110 percent, but some housing advocates say that this is not enough to cover rent in the nation's most expensive areas. Opponents of the change point out that while vouchers will increase in value, the move could decrease the total number of vouchers. The committee directs that \$25



million be set aside to assist individuals with disabilities who are displaced because a public housing complex is designated as elderly only.

The bill also prohibits HUD from paying increased administrative fee costs in the tenant-based section 8 programs due to enactment of the 1998 Quality Housing and Work Responsibility Act. The committee did not fund welfare to work vouchers, the Moving to Work Program, and recommended a \$275.39 million rescissions.

**Public Housing Capital Fund.** The bill provides \$2.8 billion for the public housing capital fund, which funds housing development and rehabilitation—\$155 million less than the president’s request and \$100 million less than in FY 2000.

**Public Housing Operating Fund.** The measure provides \$3.14 billion—equal to the FY 2000 level and \$54 million less than the president’s request—for the housing operating fund, which provides funds to public housing authorities as a supplement to tenant rental contributions that pay for public housing operations.

**Drug Elimination Grants.** The bill appropriates \$300 million, \$10 million less than last year and \$45 million less the president’s request, for low-income housing drug elimination grants that seek to eradicate drug-related crime in housing developments. Public housing authorities may use the funds from this program to employ security personnel and investigators, make building improvements to enhance security, support tenant patrols, and provide resident groups with funds to develop security and drug abuse prevention programs. The measure does not fund the New Approach Anti-Drug Program or the Community Gun Safety and Violence Reduction Initiative, which allows for gun buy-back programs.

**Revitalization of Severely Distressed Public Housing (HOPE VI).** H.R. 4635 allocates \$565 million, \$10 million less than the FY 2000 level and \$60 million less than the president’s request, for the HOPE VI program. This program awards competitive grants to PHAs to revitalize neighborhoods or, when appropriate, demolish obsolete housing projects, as well as provide assistance for relocating residents.

**Native American Housing Block Grants.** The bill appropriates \$620 million, equal to both the FY 2000 level and \$30 million below the president’s request, for Native American housing block grants. The 1996 Native American Housing Assistance and Self-Determination Act (*P.L. 104-330*) authorized this grant program, which provides funds to Indian tribes and their tribally designated housing entities to address housing needs within their communities.

**Indian Housing Loan Guarantee Fund Program.** The measure fully funds the president’s request of \$6 million (equal to last year’s level) to support loan guarantees totaling \$72 million (\$3.1 million more than last year). According to committee estimates, this level of funding will assist 20,000 families construct new homes or purchase existing properties on reservations.

## **Community Planning and Development**

**Housing Opportunities for Persons with AIDS (HOPWA).** The bill provides \$232 million, equal to the FY 2000 level and \$28 million less than the president’s request, to encourage states and localities to develop programs to provide affordable housing to persons with HIV/AIDS.

**Rural Housing and Economic Development.** H.R. 4635 provides \$20 million, \$5 million less than FY 2000 and \$7 million less than the president's request, to support housing and economic development in rural areas.

**America's Private Investment Companies (APIC) Program.** The measure provides no new budget authority—\$37 million less than the president's request and \$20 million less than last year—to encourage equity investment in large-scale development projects in economically impoverished communities.

**Urban and Rural Empowerment Zones.** Neither the president's request nor the measure contain new budget authority for either urban or rural empowerment zones. Last year in an agreement reached with the administration \$55 million was provided for urban empowerment zones and \$15 million for rural empowerment zones.

**Community Development Fund (CDF).** The measure provides \$4.5 billion, \$295 million less than the FY 2000 level and \$395 million less than the president's request, for grants to state and local governments to fund selected community development programs. Set-asides within the CDF account include: \$4.21 billion for Community Development Block Grants, \$67 million for Native Americans, \$10 million for Economic Development Initiative grants, \$55 million for the Resident Opportunity and Social Services program, \$23.5 million for the National Community Development Initiative (including a \$3.4 million set aside for the Habitat for Humanity Program), \$45 million dollars for the Youthbuild program and \$10 million for neighborhood initiatives.

**Section 108 Loan Guaranty Program and Credit Subsidies.** The bill permits HUD to guarantee \$1.22 billion in Section 108 programs, equal to the president's request and \$44 million less than last year. The bill also provides \$28 million (\$1 million less than last year and equal to the president's request) for credit subsidy needs and \$1 million in administrative expenses, \$1 million less than last year.

**Brownfields Redevelopment.** H.R. 4635 provides \$20 million—\$30 million less than the president's request and \$5 million less than FY 2000—for funds to be used in conjunction with Section 108 loan guarantees to reclaim abandoned commercial and industrial sites. This program is designed to finance job creation and leverage Section 108 loan commitments, which could potentially create thousands of jobs while returning contaminated sites to productive uses.

**HOME Investment Partnerships Program.** The measure appropriates \$1.59 billion, \$5 million less than last year and \$30 million less than the president's request, for the HOME Investment Partnerships program. The program provides funds to states, units of local government, Indian tribes, and others for acquisition, rehabilitation, and new construction programs to expand the supply and quality of affordable housing.

**Homeless Assistance Grants.** H.R. 4635 provides \$1.02 billion, \$180 million less than last year and equal to the president's request, for four homeless assistance programs under Title IV of the McKinney Act. The funding is available for the emergency shelters program, the supportive housing program, the Section 8 moderate rehabilitation program, and the Shelter Plus care program.

## Federal Housing Administration

**Housing for the Elderly and Disabled.** H.R. 4635 provides \$911 million in assistance for the elderly and disabled. This is \$78 million less than the president's request and equal to last year's amount. \$710 million is designated for the Section 202 Supportive Housing Program, providing capital grants to create assisted living facilities, fund assisted living facilities recently constructed through the FHA Section 232 mortgage insurance program, and to pay coordinators in existing projects for the elderly. The bill also provides \$201 million for housing for the disabled. No less than 25 percent and no more than 50 percent may be used to provide the disabled with tenant-based vouchers.

**Federal Housing Administration (FHA).** The FHA provides mortgage assistance and insurance for prospective homeowners. Beginning in 1992, the FHA was split into two separate types of assistance. One is the FHA-mutual mortgage insurance program and includes the mutual mortgage insurance (MMI) and cooperative management housing insurance (CMHI) funds. The other type of assistance is the FHA-general and special risk program and includes the general insurance and special risk insurance funds. The bill establishes a limitation on direct loans for the FHA-mutual mortgage insurance program account of \$100 million (the same as last year and \$150 million less the president's request), limits guaranteed loans to \$160 billion (\$20 billion more than the FY 2000 level and the same as the president's request), provides \$160 million for administrative contract expenses (equal to both last year's level and the president's request), and provides \$330.88 million in administrative expenses (equal to both last year's level and the president's request).

The measure limits direct loans for the FHA-general and special risk program account to \$50 million (the same as the FY 2000 level and the president's request), limits guaranteed loans to \$21 billion (\$2.9 billion more than last the FY 2000 level and equal to the president's request), provides \$211.45 million in administrative expenses (\$147.5 million more than last year and equal to the president's request), and funds \$144 million in non-overhead administrative expenses (the same as FY 2000 and the president's request).

**Government National Mortgage Association (GNMA).** The bill appropriates \$9.38 million, the same as last year and the same as the president's request, for the administrative expenses of the Guarantees of Mortgage-Backed Securities loan guarantee program of GNMA. In addition, the measure limits guaranteed loans to a total of \$200 billion, equal to both the president's request and last year's level. No funds were appropriated for \$40 million requested by the president to cover administrative contract expenses.

## Policy Development and Research

H.R. 4635 appropriates \$40 million—\$5 million less than last year and \$22 million less than the president's request—for research, studies, testing, and demonstrations related to HUD's mission. These projects are carried out through contracts with industry, nonprofit research organizations, and educational institutions.

## Fair Housing and Equal Opportunity

The bill provides \$44 million, equal to last year and \$6 million less than the president's request, to assist states with implementing the Fair Housing Act, which prohibits discrimination in the sale, rental, and financing of housing. The funds are equally divided between the Fair Housing Assistance Program (FHAP) and Fair Housing Initiatives Program (FHIP), with each receiving \$22 million. Furthermore, the committee

expressed concern about large sums of money being carried over from year to year in this account and therefore included language in the bill that will result in all funds being disbursed before the end of the last quarter of the fiscal year. In addition the committee chose not to fund the president's \$3.5 million dollar request for the Fair Housing Partnership program.

## **Office of Lead Hazard Control**

The measure allocates \$80 million, the same as last year and \$40 million less than the president's request, to provide grants to state and local governments to perform lead hazard reduction activities in housing occupied by low-income families.

## **Management and Administration**

**Salaries and Expenses.** The measure provides a total of \$1 billion for departmental salaries and expenses, \$1.4 million less than in FY 2000 and \$90.35 million less than the president's request. Furthermore the bill terminates the Community Builder program, which the FY 2000 VA/HUD appropriations bill terminated, but HUD chose to continue anyway, and intends to supplement by hiring an additional 200 personnel.

**Inspector General.** The bill provides \$83 million for the Office of the Inspector General, the same as FY 2000 and \$1.34 million less than the president's request. The account funds agency-wide audits and investigations.

**Office of Federal Housing Oversight (OFHEO).** The bill provides \$22 million for this agency, \$2.51 million more than last year and \$3.8 million less the president's request. The OFHEO was established in 1992 to regulate the financial safety and soundness of the two housing government-sponsored enterprises—the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac).

**Administrative Provisions.** The bill also (1) modifies financing adjustment factors; (2) prohibits available funds from being used to investigate or prosecute lawful activities under the Fair Housing Act; (3) corrects an anomaly in the HOPWA formula that results in the loss of funds for a state when the number of AIDS cases in a large city increases; (4) extends the VA and HUD enhanced disposition authority to FY 2001; (5) amends the United States Housing Act of 1937 to cap enhanced vouchers; and (6) authorizes PHA's in areas designated by the Housing Secretary to increase the payment standard for section eight vouchers.

## ***Title III—Independent Agencies***

### **Environmental Protection Agency (EPA)**

H.R. 4635 provides \$7.15 billion for the EPA, \$312.77 million less than in FY 2000 and \$15.18 million less than the president's request. The EPA was created in 1970 and was the result of the consolidation of nine federal programs from five different agencies. Major EPA programs include those for air and water

quality, drinking water, hazardous waste, pesticides, radiation, enforcement and compliance, Superfund, and the Leaking Underground Storage Tank (LUST) program.

<b>Independent Agencies Appropriations, FY 2001</b>					
Appropriation Account	FY 2000 Level*	President's Request**	FY 2001 Proposal	% Change from Last Year	% Change from Request
	(in millions)		(in millions)		
Battle Monuments Commission	\$28.5	\$29.2	\$28.0	-1.6%	-4.1%
Chemical Safety & Hazard Invest. Board	\$8.0	\$8.0	\$8.0	0.0%	0.0%
Community Dev. Financial Institutions	\$95.0	\$125.0	\$105.0	+10.5%	-16.0%
Consumer Product Safety Commission	\$49.0	\$52.5	\$51.0	+4.1%	-2.9%
Corp. for National and Community Service	\$438.5	\$538.7	\$5.0	-98.9%	-99.1%
Court of Appeals for Veterans Claims	\$11.4	\$12.5	\$12.5	+9.3%	0.0%
Army Cemetery Expenses	\$12.5	\$15.9	\$17.9	+43.9%	+12.5%
Natl. Inst. Environmental Health Science	\$60.0	\$48.5	\$60.0	0.0%	+23.6%
Toxic Subst. And Environ. Pub. Health	\$70.0	\$64.0	\$70.0	0.0%	+9.4%
Environmental Protection Agency	\$7,461.7	\$7,164.1	\$7,148.9	-4.2%	-0.2%
Office of Science and Technology	\$5.1	\$5.2	\$5.2	+0.8%	-1.0%
Environmental Quality	\$2.8	\$3.0	\$2.9	+2.6%	-4.0%
Federal Emergency Management Agency	\$3,338.4	\$3,580.5	\$876.7	-73.7%	-75.5%
Federal Consumer Information Center	\$2.6	\$6.8	\$7.1	+171.6%	+4.4%
NASA	\$13,652.7	\$14,035.3	\$13,713.6	+0.4%	-2.3%
National Credit Union Administration	\$1.0	\$1.0	\$1.0	0.0%	0.0%
National Science Foundation	\$3,912.1	\$4,572.4	\$4,064.3	+3.9%	-11.1%
Neighborhood Reinvestment	\$75.0	\$90.0	\$90.0	+20.0%	0.0%
Selective Service System	\$24.0	\$24.5	\$23.0	-4.2%	-6.0%
Recissions	-\$190.5	—	—	—	—
<b>TOTALS</b>	<b>\$29,057.8</b>	<b>\$30,377.1</b>	<b>\$26,290.1</b>	<b>-9.5%</b>	<b>-13.5%</b>

Source: House Appropriations Committee

\* The FY 2000 level includes \$2.4 billion in emergency spending for FEMA disaster relief

\*\* The president's FY 2001 budget included a request for \$2.6 billion in additional FEMA emergency spending

**Environmental Programs and Management.** The bill appropriates \$1.9 billion—the same as FY 2000 and \$199.5 million less than the president's request—for the Environmental Programs and Management account, which funds a broad range of abatement, prevention, and compliance expenses as well as most of the personnel and management costs of the agency. For instance, the account funds setting compliance standards, issuing permits, monitoring emissions, and providing technical and legal assistance to comply with EPA regulations and standards.

The bill again prohibits funds in the measure from being used to develop, propose, or issue rules, regulations, decrees, or orders for the purpose of implementing the Kyoto Protocol. The language is intended to prohibit the implementation of the treaty until the Senate ratifies it. An identical provision was included in the FY 1999 and FY 2000 VA/HUD measures.

The Kyoto Treaty, which was endorsed by the United States and 167 other countries in December 1997

in Kyoto, Japan, requires the U.S. to reduce greenhouse gas emissions by seven percent below 1990 levels no later than 2012. The treaty places binding greenhouse gas emission reductions on the United States and 31 other nations. At the same time, the treaty exempts 132 developing nations, including China, India, Brazil, and Mexico. The committee estimates that these four nations alone are expected to emit more than 50 percent of the world's greenhouse gases by the year 2050. In 1997, the Senate passed a resolution—by a vote of 95-0—expressing the sense of the Senate that the United States should not be a signatory to any protocol regarding climate change in Kyoto that places the U.S. at a competitive disadvantage.

The bill also prohibits the use of any funds to implement rules for the National Pollutant Discharge Elimination System Program, the Federal Antidegradation Policy, and the proposed revisions to the Federal Water Quality Planning and Management Regulations concerning maximum daily loads published in the *Federal Register* on August 23, 1999. This is a bi-partisan response to concerns voiced by numerous states, companies and individuals over the cost, timing and impact of the proposed TMDL rule. The committee's intention is to stay the action until the EPA, Congress and states can resolve the matter.

**State and Tribal Assistance Grants.** H.R. 4635 provides \$3.18 billion, \$289.7 million less than last year and \$270 million more than the president's request, for environmental grants at the local level. The main program in this account, receiving nearly 40 percent of the funding (\$1.2 billion), is the Clean Water State Revolving Funds program that provides grants to municipal, state, and tribal governments to assist in their efforts to design and build wastewater facilities.

**Superfund.** The bill provides \$1.22 billion for the Superfund hazardous waste cleanup program, \$2.5 million more than the FY 2000 level and \$66.45 million less than the president's request. Superfund was established in 1980 to help clean up emergency hazardous materials, spills, and dangerous, uncontrolled, and/or abandoned waste sites. Included in this portion of the report is a provision, which was also included in the FY 1999 and FY 2000 conference reports, which discourages the use of any invasive sediment remediation technologies until the National Academy of Sciences (NAS) on the matter is complete and its findings are considered by the EPA.

**Science and Technology.** The bill provides \$685 million for EPA research and development, \$2 million more than in FY 2000 and \$25.22 million less than the president's request. This amount includes a transfer of \$35 million from the Superfund account.

**Buildings and Facilities.** The measure provides \$23.93 million for the design and maintenance of EPA-owned facilities, \$62.6 million less than in FY 2000 and identical to the president's request.

**Leaking Underground Storage Tanks (LUST).** The bill provides \$79 million for the cleanup of hazardous releases from leaking underground storage tanks, \$9 million more than in FY 2000 and \$6.9 million more than the president's request.

**Oil Spill Response.** The bill provides \$15 million for EPA to prevent and respond to releases of oil in navigable waterways, the same level as in FY 2000 and \$712,000 less than the president's request.

**Inspector General.** The measure provides \$41 million for internal audits and investigations, \$2.4 million less than in FY 1999 and \$838,000 more than the president's request. This amount includes a transfer of \$11 million from the Superfund account.

## Executive Office of the President

**Office of Science and Technology Policy (OSTP).** The bill provides \$5.15 million for this account, \$42,000 more than the FY 2000 level and \$51,000 less than the president's request. The OSTP advises the president and other agencies within the Executive Office on science and technology policies.

**Environmental Quality.** The measure provides \$2.9 million for the Council on Environmental Quality (CEQ) and the Office of Environmental Quality (OEQ), \$73,000 more than in FY 2000 and \$120,000 less than the president's request. The OEQ and CEQ provide environmental oversight for all federal agencies.

## Federal Emergency Management Agency (FEMA)

H.R. 4635 provides \$876.73 million for emergency preparedness and disaster response, \$2.46 billion less than in FY 2000 (due to slightly more than \$3 billion in FY 2000 emergency appropriations) and \$2.7 billion less than the president's request (the president requested an additional \$2.6 billion in emergency appropriations for FY 2001). Federal disaster assistance is distributed through direct relief and assistance loans.

**Disaster Relief.** The bill provides \$300 billion new budget authority for disaster relief, \$2.48 billion less than the FY 2000 request and \$2.6 billion less than president's request.

**Disaster Assistance Loans.** The bill appropriates \$1.3 million to cover the cost of loans to states for disaster assistance this is \$383,000 less than president's request and equal to the FY 2000 amount. In addition, the measure establishes a limitation on direct loans of \$19 million, \$6 million less than both the last president's request and last year's level. Also, the measure provides \$420,000 for administrative expenses.

**Emergency Management Planning and Assistance.** H.R. 4635 provides \$267 million for the FEMA program to address "core" activities including (1) response and recovery; (2) preparedness training; (3) mitigation programs, fire prevention, and training; (4) information technology support; and (5) executive direction, the same level as FY 2000 and \$2.65 million less than the president's request.

**Emergency Food and Shelter.** The bill provides \$110 million (the same as FY 2000 and \$30 million less than the president's request) for the FEMA program to address the problems of the hungry and homeless.

**Other Appropriations.** The measure also provides \$190 million for the agency's salaries and expenses—\$10 million less than in FY 2000 and \$31 million less than the president's request and appropriates \$8 million for inspector general's internal audits and investigations, \$461,000 million less than the president's request and equal to FY 2000.

## General Services Administration (GSA)

**Federal Consumer Information Center (FCIC).** The bill funds the program at \$7.12 million (\$4.5

million more than the FY 2000 level and \$300,000 more than the president's request) for GSA's consumer information center. The merger of the Consumer Information Center and the Federal Information Center created the FCIC in January of 2000. The FCIC is designed to provide the public with direct information about all aspects of federal program and expects to respond to 21.8 million information requests in FY 2001.

## **National Aeronautics and Space Administration (NASA)**

H.R. 4635 provides a total of \$13.7 billion for NASA, \$60.9 million more than in FY 2000 and \$321.7 million less than the president's request. NASA, created by the 1958 National Space Act, conducts space and aeronautics research, development, and flight activity designed to maintain U.S. preeminence in space. Included in the bill is a provision that prohibits NASA from spending any funds on joint research projects between itself and the Air Force.

**Human Space Flight.** The measure allocates \$5.5 billion for space flight activities, including development of the space station and operation of the space shuttle, \$11 million less than in FY 2000 and the same as the president's request. This amount also provides for planned cooperative activities with Russia, performance and safety upgrades to the space shuttle, and required construction projects in direct support of the space station and space shuttle programs. The \$5.5 billion provided fully matches NASA's request for this account.

**Science, Aeronautics, and Technology.** The bill provides \$5.6 billion for NASA research and development, the same as FY 2000 and \$322.7 million less than the president's request.

**Mission Support.** H.R. 4635 allocates \$2.58 billion (\$68.9 million more than in FY 2000 and the same amount as the president's request) for mission support activities.

**Inspector General.** The bill provides \$23 million for internal audits and investigations of NASA programs, \$3 million more than in FY 2000 and \$1 million more than the president's request.

## **National Science Foundation (NSF)**

H.R. 2684 provides \$4.06 billion for the NSF, \$152.25 million more than in FY 2000 and \$508.1 million less than the president's request. The foundation's primary purpose is to develop national science policy.

**Research and Related Activities.** The bill provides \$3.14 billion—\$169.69 million more than in FY 2000 and \$405 million less than the president's request—for research and related activities, including the polar research programs, Antarctic logistical support activities, and the Critical Technologies Institute, which were previously funded under separate accounts.

**Major Research Equipment.** The measure provides \$76.6 million (\$18.4 million less than in FY 2000 and \$61.94 million less than the president's request) to construct research facilities.

**Education and Human Resources.** The bill provides \$694.31 million (\$2.29 million less than in FY 2000 and \$34.7 million less than the president's request) for programs to (1) encourage talented students



to enter into science and technology careers; and (2) improve science and math education.

**Miscellaneous Appropriations.** The measure also provides \$152 million for NSF salaries and expenses (\$3 million more than last year and \$5.89 million less than the president's request), as well as \$5.7 million for the NSF inspector general—\$250,000 more than last year and \$580,000 less than the president's request.

## Other Appropriations

**American Battle Monuments Commission.** H.R. 4635 provides \$28 million (\$467,000 less than in FY 2000 and \$1.8 million more the president's request) to administer and maintain commemorative cemeteries and war memorials.

**Army Cemetery Expenses.** The bill appropriates \$17.95 million, \$5.48 million above the FY 2000 level and \$2 million above the president's request, for salaries and expenses to administer and operate the Arlington National Cemetery and Soldier's and Airmen's Home cemeteries.

**Chemical Safety and Hazard Investigation Board.** The measure allocates \$8 million for this agency—the same level as the current year and the president's request—to investigate accidental releases of certain chemical substances resulting in serious injury, death, or substantial property damage.

**Community Development Financial Institutions (CDFI).** The bill provides \$105 million, \$10 million more than current year's level and \$20 million less than the president's request, to provide grants, loans, and technical assistance to community development financial institutions, such as community development banks.

**Consumer Product Safety Commission.** The bill appropriates \$51 million, \$2 million dollars more than the FY 2000 level and \$1.5 million less than the president's request for the commission, which works to reduce unreasonable risk of injury associated with consumer products.

**Corporation for National and Community Service (AmeriCorps).** The bill terminates funding for the Corporation for National and Community Service (except for \$5 million for Inspector General activities). The agency received \$434.5 million last year and the president requested \$533.7 million for FY 2001.

**Court of Appeals for Veterans Claims.** The measure fully funds the president's request of \$12.5 million to review appeals from VA claimants who have been denied benefits, \$1.05 million more than in FY 2000.

**National Credit Union Association (NCUA) Central Liquidity Facility.** The Central Liquidity Facility is a mixed-ownership government corporation within the NCUA. Loans may not be used to expand a loan portfolio, but are authorized to meet short-term requirements such as emergency outflows from managerial difficulties, seasonal credit, and protracted adjustment credit for long-term needs caused by regional economic decline. The measure appropriates \$1 million for the Community Development Revolving Loan Fund program of which \$650,000 is provided for the Loan Fund and \$350,000 is designated for technical assistance grants for low-income credit unions. The community Development Revolving Loan Fund provides assistance to credit unions in low-income areas in order to spur economic development. The president requested no funding for the Loan Fund but did request a new appropriation of \$1 million for technical

assistance grants.

**Neighborhood Reinvestment Corporation.** H.R. 4635 provides \$90 million—\$15 million more than in FY 2000 and equal to the president’s request—to promote reinvestment in older neighborhoods by assisting community-based partnerships and supporting private-sector lending activities.

**Selective Service System.** The measure provides \$23 million for the Selective Service System, \$1 million less than FY 2000 and \$1.48 million less than the president’s request. The Selective Service System is responsible for providing adequate manpower for the armed services during national emergencies.

## **Title IV—General Provisions**

The bill contains 21 general provisions that were included in the budget. Some of these include: (1) limitations on travel expenses; (2) no amounts appropriated will be available beyond the FY 2001 fiscal year unless expressly provided for in the bill; (3) restricting the use of funds in the bill to pay for officials to traveling between their homes and work to those specified under Sections 5 and 31 of the U.S.C; (4) prohibiting funds from being used to compensate non-federal parties that are intervening in regulatory or adjudicatory proceedings; (5) expressing the sense of Congress that to the greatest extent practicable all equipment and products purchased with funds in the act be American made; (6) prohibiting any technical assistance, training or management improvement funds provided in Title II of the bill from being obligated or expended unless HUD provides the Appropriations Committee with a description of each proposed activity and a detailed budget of the costs of that activity, and all such information must be provided to the committee by November 1, 2000; (7) no funds provided in H.R. 4635 can be used to promulgate a final regulation to implement changes in the payment of pesticide tolerance processing fees as proposed in 64 Fed. Reg. 31040 or any similar proposals.

### **Costs/Committee Action:**

At press time the CBO had not released a cost estimate.

The Appropriations Committee reported the bill by voice vote on June 8, 2000.

### **Other Information:**

“Appropriations for FY 2001: VA, HUD, and Independent Agencies,” *CRS Report RL30204*, May 12, 2000; “House Committee Sticks with Plan on VA-HUD bill,” *CQ Daily Monitor*, June 8, 2000, pp. 2-6; “House Committee Passes Frugal VA-HUD Measure, Expecting More Money Later,” James C. Benton, *CQ Weekly*, June 10, 2000, pp. 1388-1390.



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